



Chris Danou's Capitol Report

Federal Report Shows Wisconsin Economy Lagging Far Behind

Facts and data matter, especially when talking about important things like economic and job growth. It's great when the facts show good news and that things are moving in the right direction, but it's never pleasant when figures show unfavorable information. Unfortunately for Wisconsin, the facts and figures show our economy is lagging far behind most of the country.

Since the Governor spoke to the people of Wisconsin during his annual State of the State Address on January 19th, he has been traveling the state promoting new ideas and talking about how the state economy is on the rebound. I'm not sure where he gets his information, but that's the opposite of what was released last week by the Federal Reserve Bank of Philadelphia.

This agency is one of the 12 regional reserve banks that make up the Federal Reserve System. This is probably the most reliable non-biased and non-partisan economic data because the model and input variables are consistent across all 50 states. Since there is consistency in the modeling, the state indexes are comparable to one another.

Each month the Philadelphia Federal Reserve Bank produces a monthly coincident index for each of the 50 states. The coincident indexes combine four state-level indicators to summarize current economic conditions in a single statistic. These indicators include nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, and wage and salary disbursements deflated by the consumer price index. This information is thorough and paints an accurate picture of what is happening in each state.

In a featured article in the Washington Post last week, The Federal Reserve Bank of Philadelphia talked about how the economy in seven states has fared worse than the rest of the nation during the final three months of 2015. Those seven states include Alaska, Illinois, Louisiana, Mississippi, North Dakota, Wyoming and Wisconsin. While Alaska, Illinois, Louisiana, Mississippi and North Dakota's struggles were related to lower than average oil prices, Illinois and Wisconsin struggles were due to fiscal issues and sluggish performance of some manufacturing industries.

According to additional information that was released, 41 states saw their economies grow. The strongest growth with over 1% in the three-month period occurred in Arizona, Colorado, Georgia, Idaho, Kansas, Maine, New Jersey, Oregon and West Virginia. The data for Michigan and Oklahoma shows their economic growth remained flat and was unchanged. This information clearly shows the economy is rebounding for the vast majority of states across the country, just not so much here in Wisconsin.

While we are told by the Governor that "Wisconsin is Open for Business" and that our economy is turning around, the actual data tells a much different story. It is disappointing Wisconsin was one of just seven states to see their economy perform worse than the rest of the country to finish out 2015. While we can't change the past, we can change our course moving forward. I hope the Governor takes a look at the reality we face here in Wisconsin and provides a vision and plan for creating and maintaining 21st century jobs for the next generation of workers.

